

Alabama Emergency Management Agency
Subrecipient Handbook
for the
PUBLIC ASSISTANCE PROGRAM



Disclaimer

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Introduction

This handbook was developed by AEMA staff to assist applicants/sub-recipients in managing their PA grants following a declared disaster. Within this guide you will find detailed instructions for managing the PA grant process. This guide has been developed to work in conjunction with the Public Assistance Program and Policy Guide (PAPPG).

1. Program Overview

The Public Assistance (PA) Program provides supplemental federal disaster assistance to state, local and federally recognized tribal government organizations for debris removal, emergency protective measures and the permanent restoration of public facilities, because of a major disaster or emergency declaration made by the President. Assistance may also be provided to certain private non-profit (PNP) organizations that provide services of a governmental nature.

The Public Assistance Program is administered by the Alabama Emergency Management Agency (AEMA), as the recipient for the State of Alabama. Eligible organizations for the program are considered subrecipients and commonly referred to as applicants.

2. Program Authority

The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988 (P.L. 93-288, as amended) authorizes the delivery of federal assistance following a declaration of a major disaster or emergency by the President.

A major disaster is defined by 44 Code of Federal Regulations (CFR), 206.2 as:

“Any natural catastrophe..., or regardless of cause, any fire, flood, or explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance under this Act to supplement the efforts and available resources of states, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.”

An emergency is defined by 44 CFR, 206.2 as:

“Any occasion or instance for which, in the determination of the President, Federal assistance is needed to supplement state and local efforts and capabilities to save lives and protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.

The basic assumption of federal disaster assistance is that it is a supplement to existing resources. This means that an event must exceed the capabilities of the state and local governments before federal assistance will be available.

3. Insurance Requirements

Prior to approval of assistance for the restoration of an insurable facility or its contents damaged by a major disaster, the eligible costs shall be reduced by the amount of any insurance proceeds received or anticipated, relating to eligible costs. Where an insurable facility damaged by flooding is located in a special flood hazard area (100-year floodplain), identified for more than one year by FEMA, payment for eligible costs will be reduced by the maximum amount of the flood insurance proceeds that the applicant could have received had the building and its contents been fully covered by flood insurance, whether or not any insurance was actually in force. This reduction does not apply to a private non-profit (PNP) facility which could not be insured because it was located in a community not participating in the National Flood Insurance Program (NFIP). However, the provisions of the Flood Disaster Protection Act of 1973 prohibit approval of assistance for the PNP unless the community agrees to participate in the NFIP within six months after the major disaster declaration date, and the required flood insurance is purchased.

If the Project Worksheet (or PW) estimate of eligible costs is greater than the maximum allowable amount, the applicant shall, as a condition of receiving disaster assistance, obtain and maintain such types and amounts of insurance as are reasonable and necessary to protect against future loss to such property from the types of hazard that caused the major disaster. The applicant must assure that the required insurance coverage will be maintained for the anticipated life of the restorative work or the insured facility, whichever is lesser. No assistance shall be provided for any facility for which assistance was provided as a result of a previous disaster, unless all insurance required by FEMA as a condition of the previous assistance, has been obtained and maintained.

4. Environmental/Historic Preservation (EHP) Requirements

The funding provided under PA is considered to be federal funding and all projects must comply with the various federal EHP requirements, including but not limited

to the National Environmental Policy Act and Historic Preservation Act. FEMA, as the grantor agency, must assure compliance with these EHP requirements. If an applicant commences or conducts work on a project and doesn't permit FEMA to review the project work for compliance with the EHP requirements, it could jeopardize funding for the entire project, especially when the location or footprint of a facility is changed. Applicants should contact AEMA if there are EHP questions with a project that need to be resolved. Additional information is available at <https://www.fema.gov/environmental-and-historic-preservation>.

5. Hazard Mitigation

In approving grant assistance for restoration of facilities, FEMA is authorized under Section 406 of the Stafford Act to approve cost effective hazard mitigation measures not required by codes and standards, but that will reduce the effects of future disaster or emergency events. A facility that did not sustain damages from a disaster or emergency event is not eligible for Public Assistance Program hazard mitigation funding. Applicants should identify hazard mitigation measures (as special considerations) during the development of their PW and discuss them with the Program Delivery Manager (or PDMG) during the Recovery Scoping Meeting.

FEMA considers mitigation measures to be cost-effective if any of the following criteria are met:

- The cost of the mitigation measure does not exceed 15 percent of the total eligible repair cost (prior to any insurance reductions) of the facility or facilities for which the mitigation measure applies.
- The mitigation measure is specifically listed in the Public Assistance Program and Policy Guide, Appendix J: Cost-Effective Hazard Mitigation Measures, and the cost of the mitigation measure does not exceed 100 percent of the eligible repair cost (prior to any insurance reductions) of the facility or facilities for which the mitigation measure applies.
- The applicant demonstrates through an acceptable benefit-cost analysis (BCA) methodology that the measure is cost-effective. FEMA's BCA software provides appropriate BCA methodologies.

6. Procurement

Applicants may use their own procurement procedures, which reflect applicable state and local laws and regulations, provided that the procurement process conforms to federal laws and the standards identified in 2 CFR, Part 200. All procurement for services shall be conducted in a manner providing full and open competition. Applicable state and local procurement standards take precedence over federal procurement standards, only when they are more stringent than the federal standards. Federal procurement standards take precedence when they are more stringent than the state and local procurement standards, or when no state or local standard exists to address a particular governmental body or organization.

In general, applicants must:

- Have written procedures for procurement transactions. These procedures must ensure that all solicitations incorporate a clear and accurate description of the technical requirements, identify all requirements that the offerors must fulfill and all factors used in evaluating bids or proposals, and that pre-qualified lists of persons, firms or products are current and include enough qualified sources to ensure maximum open and free competition.
- Maintain written standards of conduct covering conflict of interest and governing the performance of its employees engaged in a procurement selection. Applicants must also maintain written standards of conduct covering organizational conflicts of interest.
- Maintain records sufficient to detail the history of the procurement, including the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and basis for the contract price.
- Not use time and materials contracts unless a determination is made that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.
- Not select contractors on federal or state de-barred contractor lists.

Public Assistance Project Types:

Emergency Work:

- Category A: Debris removal
- Category B: Emergency protective measures

Permanent Work:

- Category C: Roads and bridges
- Category D: Water control facilities
- Category E: Public buildings and contents
- Category F: Public utilities
- Category G: Parks, recreational, and other facilities

7. Emergency Work

Emergency work includes removal/disposal of debris and emergency protective measures to save lives, protect improved property and public health and safety, or to avert or lessen the threat of a major disaster.

Category A - Debris Removal

- a. To be eligible for funding, the removal of debris must be necessary to do one of the following:
 - Eliminate immediate threats to lives, public health and safety;
 - Eliminate immediate threats of significant damage to improved public or private property; or,
 - Ensure economic recovery of the affected community to the benefit of the community-at-large.
- b. In general, debris that is on public property must be removed to allow continued safe operation of governmental functions and would therefore be eligible under one of the first two criteria listed above. However, not all public property clearance will be eligible if it does not directly satisfy one of the above criteria.

- c. Debris removal from private property is the responsibility of the individual property owner, aided by insurance settlements and assistance from volunteer agencies. However, an eligible local or state government may collect and dispose of disaster-related debris placed on the public right-of-way (curb) by private property owners for a limited time.

Category B - Emergency Protective Measures

- To be eligible for payment, such activities must be necessary to do one of the following:
 - Eliminate or reduce an immediate threat to life, property, public health or safety; or,
 - Eliminate or reduce an immediate hazard that threatens significant damage to improved public or private property. This work can be funded only when the benefits achieved by the measure are greater than the costs.
- The following are examples of activities that may be eligible:
 - Search and rescue
 - Emergency medical care, to the extent that the local and state government is responsible
 - Emergency mass care and sheltering when such cannot be provided by volunteer agencies
 - Security in the disaster area
 - Providing food, water, medicine and other essential needs at central distribution points for use by local citizens
 - Providing temporary facilities for essential community services
 - Activation and operation of an Emergency Operations Center (EOC) to coordinate and direct the response to a disaster event
 - Demolition and removal of substantially damaged public and private buildings and structures that pose an immediate threat to the safety of the general public
 - Removal of health and safety hazards including disposing of dead animals, pumping of trapped flood waters and insect control. For insect control to be eligible, the Centers for Disease Control (CDC) must investigate the problem and determine that a health hazard exists

- Construction of emergency protective measures to protect lives or improved property, including temporary levees, sandbagging and bracing
- Emergency temporary communications
- Emergency public transportation

8. Permanent Work

Permanent work is considered repairs or replacement that will restore an eligible facility to its pre-disaster design, with the same capacity as before the declaration. The following items can affect the eligibility of project costs:

Permanent Work Categories of Facilities

Category	Type of Facility	Examples
C	Road and Bridge Systems	roads, bridges and associated systems
D	Water Control Facilities	dams, levees, drainage channels and pumping facilities
E	Buildings and Equipment	building structures, contents and all types of equipment
F	Utility Systems	electric distribution, water supply, sanitary and storm sewers
G	Parks, Recreational and Other	facilities or items of work in a park or similar area

9. Project Worksheets (PWs)

Applicants must identify and report damages to FEMA within 60 days of the Recovery Scoping Meeting, in accordance with 44 CFR, 206.202(d)(ii). Project Worksheets (PWs), also known as Subgrant Applications (SGAs), are prepared to document the work and costs for a project. The development of PWs is coordinated by a Program Delivery Manager (PDMG), working with the applicant and Consolidated Resource Center (CRC). In some cases, a State PA Project Specialist (SPAPS) may also participate during the PW development process. When the estimate of work is less than the small PW threshold (changes annually), such work is not eligible, and a PW will not be written.

10. Project Threshold

The classification of small or large projects is based on a small project threshold amount. This amount is adjusted annually to reflect changes in the Consumer Price Index for all Urban Consumers published by the Department of Labor. The amount established at the time of the declaration remains constant until the declaration is closed. This threshold can be found on FEMA's website at <https://www.fema.gov/public-assistance-indicator-and-project-thresholds>.

12. Small Projects

The Stafford Act provides for a small project designation, which is a simplified procedure designed to speed payment of disaster assistance funds to applicants when the cost is below the minimum large project threshold. When the Project Worksheet (PW) estimate of eligible costs for a project is below this threshold, payment of the federal share is based on the PW estimate instead of the actual costs of the work. In most cases, AEMA will provide payment of the full federal share of small projects as promptly as possible after receipt of the approved PW from FEMA. The federal share payment will not be reduced if the actual cost of the small project is discovered later to be less than the original PW estimate, in accordance with 44 CFR, 206.205. **No request for payment needs to be submitted for small projects.** If the PW comes in above the original obligation amount, under certain circumstances, FEMA may consider adjusting the approved amount (this is in very limited circumstances).

13. Large Projects

When the PW estimate of eligible costs for a project is equal to or greater than the small project minimum threshold, payment of the federal share is based upon the actual eligible documented costs incurred by the applicant. This means that the applicant must provide actual cost documentation (e.g. bills, invoices, receipts, labor/equipment records, contract documents) to support all project costs claimed.

The PDMG will identify all large projects at the Recovery Scoping Meeting and assign site inspectors, as necessary. AEMA may assign a State PA Project Specialist (SPAPS) to work with the PDMG and site inspectors during the PW development. When all data for the large project has been compiled, the PDMG will submit it to the CRC for final PW development and review. Once the large project PW is approved by FEMA, the funding is then made available to AEMA to pay the applicant for completed work.

AEMA may reimburse applicants as large project costs are incurred in the completion of eligible work. All large project costs must be supported with actual cost documentation. AEMA can only provide funding to applicants for work/costs included in the approved PW scope of work.

An initial large project payment may be made at the time of PW approval, if any of the work was completed at the time of PW development and cost documentation is submitted with the PW to support the costs. To receive payment for large projects beyond the initial payment, applicants must make requests for payment in accordance with the following provisions:

1. Applicants must complete and submit a payment request, along with all documentation required to support the eligible costs being claimed.
2. Payments will be made based on the actual costs incurred in the completion of eligible work included in the PW scope of work. Costs incurred must be claimed and certified by the applicant. All costs must be supported with actual cost documentation in accordance with federal regulations and to the satisfaction of AEMA.
3. Payments may be suspended for the failure of the applicant to comply with program requirements (e.g. Quarterly Progress Reports, procurement,

insurance, STAARS registration). AEMA cannot reimburse an applicant for work completed outside of the PW period of performance.

How to Request Reimbursement for a Large Project:

All reimbursement requests must be submitted via www.grants.ema.alabama.gov.

1. A new Reimbursement Request must be created from the Project Screen of the project for which the request is to be created. First navigate to the relevant project (see the **Projects** section for how to find the project you are looking for).
2. Once on the Project Screen, click on the Create New Request button located on the Actions Bar, then click on the New Reimbursement Request link which will open a new draft request.
3. A Reimbursement Request can have multiple expenses linked to it, which can be done by either clicking on the Add Expense link to create a new expense, or by linking an existing unlinked expense by clicking on Link Unlinked Expense.
4. If adding a new expense, complete the expense form then click on the Create button to add it to the Reimbursement Request. Once the expense has been saved, click on the Back To Reimbursement Request button to navigate back to the request.
5. If linking unlinked expenses, click on the **Link Existing** button, then select at least one, or multiple by holding the Ctrl button. Once all expenses to be linked has been selected, click on the **Link** button. Note: The Link Existing button will only show if at least one unlinked expense is available on the Project for which the Reimbursement Request is being created.
6. Click on the **Advance** button to submit the request. To save the draft without submitting it, click on the **Save** button. Saved drafts can be accessed via the Home Page's "My Inbox Summary" section, or via your inbox by clicking on "My Inbox" on the Main Menu Bar

NOTE: AEMA may pay up to 75% of the 75% Fed Share, based on actual costs. Once the Final Inspection Report has been completed and closed by FEMA, AEMA will pay the remaining approved, eligible costs. All large PWs must be reconciled and closed by FEMA. Once the large project PW work has been completed, a Final Inspection Report form must be completed

and submitted to AEMA, along with actual documentation to support the costs being claimed.

If the Applicant receives funds for salvaged components of the facility, FEMA adjusts the project amount by the value or anticipated fair market value of salvaged materials less the estimated costs necessary to demolish the facility, grade the site, or make the facility safe and secure.

How to request a final inspection report (FIR) and close-out of a large project:

The applicant must complete and submit a *Project Final Inspection Report* form to AEMA. AEMA will review the documentation and forward it to FEMA for final PW reconciliation and closeout. AEMA and/or FEMA may perform a final inspection to verify all work has been completed in accordance with Public Assistance Program requirements and PW scope of work. Once FEMA makes a final cost determination and closes the PW, AEMA will process any final payment for the large project PW. On rare occasions, FEMA may deem previously approved project cost as ineligible or reduce the amount of eligible costs based on final insurance payments. In either of the cases, FEMA will reduce the amount of the PW and AEMA will request recoupment of funds. Use the following link to access the FIR form:

<https://grants.ema.alabama.gov/site/paresources.cfm>. Scroll to the bottom of page under Forms and select Final Inspection Request Form.

14. Changes in Scope of Work

While proceeding with the project, the Applicant must ensure that it uses PA funding only for eligible work. The Applicant should engage AEMA as soon as it identifies a change to the SOW to allow FEMA time to review changes for eligibility and EHP compliance requirements prior to commencement of work. If the Applicant begins work associated with a change before FEMA review and approval, it could jeopardize PA funding.

With the exception of Permanent Work Alternative Procedures Projects, FEMA may approve revisions under any of the following circumstances (this is not an all-inclusive list):

- The Applicant discovers damage not visible during the site inspection. The Applicant must report this damage within 60 days of the Recovery Scoping Meeting.
- The Applicant discovers hidden damage during the course of completing previously approved work.
- The repair method documented in the PW is not feasible.
- Professional recommendations for repair differ from the repair documented in the PW, provided the recommendations are limited to the least costly method of repairing only the agreed upon disaster-related damage.
- The PW contains inadvertent errors or omissions.
- The Applicant wishes to pursue an Improved or Alternate Project.

A change in scope of work requires a written request from the Applicant to AEMA, including detailed justification and documentation to support the eligibility of the requested revision. If the request involves previously unreported damage, the Applicant must also provide documentation demonstrating how the incident caused the damage. AEMA will forward the request to FEMA with its written recommendation. FEMA engages subject matter experts for technical assistance when necessary to reach a determination of whether the requested change is eligible for PA funding.

Changes in SOW due to one of the following reasons are generally eligible:

- Alternate repair method is more cost-effective than the original proposed repair method
- Original repair method is not technically feasible
- Increase in previously approved quantities due to errors and omissions
- Hidden damage is discovered during construction and is disaster-related

How to submit a request for a change in SOW:

The applicant must request a change in SOW by contacting AEMA as soon as it identifies a change. This needs to be communicated in writing by detailing the changes and costs associated with the project. The written request must be submitted to AEMA via email at pa@ema.alabama.gov or mailed via USPS to:

Alabama Emergency Management Agency
ATTN: Public Assistance Section
PO Drawer 2160
Clanton, AL 35046

15. Improved and Alternate Projects

- Improved Project: A project that restores the pre-disaster function, or changes to its pre-disaster design not required by eligible codes or standards.
- Alternate Project: The use of funds toward a project that does not restore the pre-disaster function of the damaged facility. If the Applicant determines the public welfare would not be best served by restoring a damaged facility or its function, it may use the funds toward a different facility (or facilities) that benefit the same community.

How to submit a request for an improved or alternate project:

The Applicant must inform AEMA if they choose to do an improved or alternate project. The Applicant may then submit the request formally to AEMA in writing with the project details and associated costs. The written request must be submitted to AEMA via email at pa@ema.alabama.gov or mailed via USPS to:

Alabama Emergency Management Agency
ATTN: Public Assistance Section
PO Drawer 2160
Clanton, AL 35046

16. Project Period of Performance

A project period of performance (POP) is set from the declaration date and applies to all projects approved for Public Assistance Program funding, in accordance with 44 CFR, 206.204. The project periods of performance are as follows:

Category(s) of Work	Type of Work	Project Period of Performance
A	Debris removal	6 months
B	Emergency protective measures	6 months
C-G	Permanent work	18 months

AEMA may extend these project periods of performance based on extenuating circumstances or unusual project requirements beyond the applicant's control. The period of performance for Category A and B projects may be extended an additional six (6) months, with approval of AEMA. The period of performance for Category C-G projects may be extended an additional 30 months, with approval of AEMA.

How to submit a time extension request: All time extension requests are required to be submitted via www.grants.ema.alabama.gov.

1. A new Time Extension must be created from the Project Screen of the project for which the request is to be created. First navigate to the relevant project (see the Projects section for how to find the project you are looking for).
2. Once on the Project Screen, click on the Create New Request button located on the Actions Bar, then click on the New Time Extension link which will open a new draft request.
3. Complete the Form, then click on the Advance button to submit the request. To save the draft without submitting it, click on the Save button. Saved drafts can be accessed via the Home Page's "My Inbox Summary" section, or via your inbox by clicking on "My Inbox" on the Main Menu Bar.

19. Quarterly Progress Reports

A quarterly progress report is required to be submitted to AEMA for all large projects. To satisfy this requirement, applicants shall complete and submit an AEMA Quarterly Progress form to AEMA by the 15th day of April, July, October and January for the preceding quarter, as a condition of receiving payment for eligible costs. Quarterly progress reports must be submitted until all projects are

certified on a report as 100% complete and the full eligible federal share has been reimbursed. Payments may be suspended until quarterly progress reporting requirements are met by the Applicant.

How to submit a quarterly progress report: All Quarterly Progress Reports are required to be submitted via www.grants.ema.alabama.gov.

1. Once the Quarterly Report is ready to be completed, click on the Form tab located on the left of the page.
2. Complete all fields for each project, then click on the Save Changes button before selecting the next project to report on via the drop-down menu on the top of the form.
3. Once all projects have been reported on and the Quarterly Report is ready for submission, click on the Advance button to submit the Quarterly Report

17. Cost Sharing

The Public Assistance Program is a cost sharing program, where the federal share will be at least 75% of the total eligible costs. The non-federal share of eligible costs may be shared between the state and applicants, at the state's discretion. In declarations where the state is not participating in the non-federal cost share, applicants are responsible for the full non-federal portion of eligible costs. Private nonprofit applicants will not be eligible for reimbursement of the non-federal cost share under any declaration. Any portion of the non-federal share provided by the state will be paid at applicant closeout, once all projects are complete and reconciled.

18. Category Z: Management Costs

After FEMA has received and processed all Subrecipient's final actual cost project claims and upon the receipt of the Subrecipient's final actual management cost claim, FEMA will process the final Category Z obligation or de-obligation based on actual reasonable costs up to the maximum 5% percent of the applicant's total amount from all projects.

All Category Z Projects are considered large projects and a final inspection is required. See instructions for final inspection report on page 15.

Eligible Management Costs:

Activities eligible as management costs include those related to developing eligible PA projects and receiving reimbursement:

- a. Preliminary Damage Assessments
- b. Meetings regarding the PA program or overall PA damage claim.
- c. Organizing PA damage sites into logical groups.
- d. Preparing correspondence
- e. Site inspections
- f. Travel expenses
- g. Developing the detailed site-specific damage description
- h. Evaluating Section 406 hazard mitigation measures
- i. Preparing Small and Large projects
- j. Reviewing Project Worksheets
- k. Collecting, copying, filing, or submitting documents to support a claim.
- l. Requesting disbursement of Public Assistance funds.
- m. Training

19. Subgrant Closeout

Once an applicant has completed all the work under their subgrant and has been reimbursed the federal share for all projects, a FEMA Form P.4, *Subgrant Closeout Certification*, form should be completed and submitted to AEMA. AEMA will send the P.4 form to the applicant to be filled out. The form must be originally signed and dated by the Applicant's Agent or Applicant's Authorized Representative. AEMA will review the form and make any required inspections that may be necessary to determine if the work was completed in compliance with subgrant requirements. If the form has been completed properly and the inspections confirm the work was completed properly, AEMA will issue a closeout letter. The subgrant is considered closed when the applicant receives the closeout letter. Upon receipt of closeout letter, the applicant is responsible for keeping records for three years after the disaster closure date.

20. Appeals (44 CFR, 206.206)

Applicants may appeal determinations made by FEMA. All appeals must be made in writing and 1) contain documented justification supporting the organization's position, 2) specify the monetary figure in dispute, 3) cite provisions in federal law, regulation or policy with which the organization believes the determination was inconsistent, and 4) be submitted to the following address within 60 days of receipt of the determination notification:

**Alabama Emergency Management Agency
Governor's Authorized Representative
Public Assistance Program
P.O. Box 2160
Clanton, AL 35046**

AEMA will review all appeals and make a recommendation to FEMA based on the information provided within 60 days of receipt. There are two levels of appeals within FEMA. The applicant's appeal must be denied at the first level before it can proceed to the second level. At each level, FEMA has 90 days to review the appeal and make a determination. The two levels of appeals are as follows:

1. FEMA Regional Administrator (in Atlanta, GA)
2. Office of Response and Recovery Headquarters (in Washington, D.C.)

21. Eligibility and Arbitration

In lieu of a second appeal, an applicant may choose arbitration based on the following:

To be eligible for Section 423 arbitration, a Public Assistance applicant's request must meet **all three** of the following conditions:

- (1) The dispute arises from a disaster declared after January 1, 2016;
- (2) The disputed amount exceeds \$500,000 (or \$100,000 if the applicant is in a "rural area," defined as having a population of less than 200,000 living outside an urbanized area); and

(3) The applicant filed a first level appeal with FEMA pursuant to the time requirements established in 44 C.F.R. § 206.206.

Applicants must file an appeal or request for Section 423 arbitration within 60 days after receipt of the first appeal decision. If an applicant does not receive a first level appeal decision within 180 days of submission, they may withdraw the first level appeal and request Section 423 arbitration.

Public Assistance applicants considering arbitration should see the Civilian Board of Contract Appeals' (or CBCA) Interim Fact Sheet on how to request arbitration: <https://www.fema.gov/media-library-data/1553698031170-126e5dcfa4f1a27b799475831c5168df/Section1219ArbitrationFactSheet3.27.19final.pdf>.

FEMA's regulations on appeals, found at 44 C.F.R. § 206.206, are still in effect and provide the required process for filing first and second level appeals. FEMA will pay the fees associated with the arbitration panel, the costs of any expert retained by the panel, and the arbitration facility costs, if any.

22. Non-Compliance

If an applicant fails to comply with federal statutes, regulations or the terms and conditions of a federal award, FEMA or AEMA may impose additional conditions, as described in 2 CFR, 200.207. If FEMA or AEMA determines that noncompliance cannot be remedied by imposing additional conditions, FEMA or AEMA may take one or more of the following actions, as appropriate in the circumstances:

1. Temporarily withhold cash payments pending correction of the deficiency by the applicant or more severe enforcement action by FEMA or AEMA.
2. Disallow all or part of the cost of the activity or action not in compliance.
3. Wholly or partly suspend or terminate the federal award.
4. Initiate suspension or debarment proceedings as authorized under 2 CFR, Part 180 and federal awarding agency regulations.
5. Withhold further federal awards for the project or program.
6. Take other remedies that may be legally available.

AEMA or FEMA may investigate reported program noncompliance and take any necessary action, up to and including termination of the grant, to assure compliance with the terms and conditions of the federal award.

23. Audit and Monitoring Requirements (2 CFR, Part 200, Subpart F)

1. For fiscal years starting on or after December 26, 2014, the following requirements apply:
 - a. Non-federal organizations that expend \$750,000 or more in total federal assistance (from all sources) during their fiscal year are required to have an audit performed in accordance with the Single Audit Act of 1984 (as amended) and 2 CFR, Part 200, Subpart F.
 - b. Public Assistance applicants must comply with the reporting requirements of 2 CFR, Part 200, Subpart F. If an applicant fails to comply with the reporting requirements, grant payments will be suspended, and funding may have to be returned.
2. The risk of each applicant will be assessed by AEMA. AEMA will monitor the work completed under PWs in accordance with AEMA Public Assistance Program Subrecipient Monitoring Procedures and the applicant risk level identified.
3. AEMA periodically requires applicants to certify their organization audit status for a fiscal year to assure compliance with federal and state audit requirements. If an applicant fails to complete and submit this certification to AEMA, grant payments will be suspended, and funding may have to be returned.
4. The Catalog of Federal Domestic Assistance (CFDA) number for the Public Assistance Program is 97.036. Auditors will use this CFDA number to perform single audits.
5. The Catalog of State Financial Assistance (CSFA) number for the Public Assistance Program is 588-00-0448. Auditors will use this CSFA number to perform state audits.

6. Applicant audit reporting documents should be submitted to:

**Alabama Emergency Management Agency
PO Drawer 2160
Clanton, AL 35046**

7. In accordance with 2 CFR, 200.333, applicants are required to maintain subgrant records for at least three years from the date the disaster is closed.
8. Applicants may be placed on the State of Alabama Stop Payment List for non-compliance identified during monitoring or audits. Applicants may remain on the Stop Payment List until the noncompliance is corrected or three years, whichever is shorter. Applicants on the Stop Payment List may not be paid by any state agency while they are on the list.

All application documents, correspondence and requests should be sent to the following address:

**Alabama Emergency Management Agency
Public Assistance Section
PO Drawer 2160
Clanton, AL 35046
Ph. (205) 280-2316
Fax (205) 280-2242
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In closing, AEMA appreciates the opportunity to serve our applicants. If you have further questions, please contact the PA staff at the above information.

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